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Securities code: 6630  
July 14, 2021

**To Shareholders with Voting Rights:**

Kimiyo Yamazaki  
President and Representative Director  
YA-MAN LTD.  
1-4-4 Furuishiba, Koto-ku, Tokyo,  
Japan

**NOTICE OF  
THE 47TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We would also like to express our heartfelt sympathies to those who have been affected by COVID-19, as well as to their families and all other parties concerned.

In response to the spread of COVID-19, we have been taking measures to ensure the safety of our stakeholders, prevent the infection and the spread of COVID-19, as well as to continue our business.

We sincerely hope that COVID-19 will come to an end as soon as possible and that all of you will stay in good health.

We are pleased to inform you that the 47th Annual General Meeting of Shareholders of YA-MAN LTD. (the “Company”) will be held as described below.

**If you are unable to attend the Meeting, you may exercise your voting rights in writing. Please review the Reference Documents for the Annual General Meeting of Shareholders attached herein, indicate your vote for or against the proposals on the Voting Form and return it so that it is received by 5:00 p.m. on Wednesday July 28, 2021, Japan time**

- 1. Date and Time:** Thursday, July 29, 2021 at 10:00 a.m. Japan time  
(Reception scheduled to open at 9:00 a.m.)
- 2. Place:** EAST21 HALL (1F), Hotel East 21 Tokyo,  
6-3-3 Toyo, Koto-ku, Tokyo, Japan  
(Please refer to “Map to the Venue of Annual General Meeting of Shareholders” on the last page of the Japanese original.)
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report and Consolidated Financial Statements for the Company’s 47th Fiscal Year (May 1, 2020 - April 30, 2021), and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company’s 47th Fiscal Year (May 1, 2020 - April 30, 2021)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Election of Seven (7) Directors
    - Proposal 3:** Election of Two (2) Audit & Supervisory Board Members
    - Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member

- When attending the Meeting, please submit the Voting Form at reception.
- If any revisions were made to the Reference Documents for the Annual General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements, they will be posted on the Company's corporate information site (<https://corporate.ya-man.com/>).
- Of the documents to be provided together with this convocation notice, "Matters Concerning the Development of Systems, etc. for Ensuring Appropriate Business Operations" in the Business Report, Supplementary Schedules of the Consolidated Financial Statements, and Supplementary Schedules of the Non-consolidated Financial Statements are disclosed on the Company's corporate information site (<https://corporate.ya-man.com/>) pursuant to the provisions of laws and regulations as well as Article 19 of the Articles of Incorporation of the Company, and not provided in the documents attached herein.
- In order to save electricity, the temperature of the air-conditioning system will be adjusted and the Company staff will be in light clothing (Cool Biz) at the Meeting. Shareholders are kindly requested to attend the Meeting in light clothing as well. We appreciate your understanding.
- Please note that drinks or hand towels will not be provided at the Meeting.
- Please also note that there will be no shuttle bus service between the venue and the Toyochō station this year.

[Notes on attending the Meeting]

1. The venue of this Annual General Meeting of Shareholders is subject to change due to blockage of the venue scheduled for the Meeting and other reasons. If there is a change in the venue of the Meeting, it will be notified on the Company's corporate information site shown below.
2. Shareholders attending the Meeting are kindly requested to wear face masks. Shareholders not wearing face masks may be denied attending the Meeting.
3. The body temperature of shareholders will be measured near the entrance of the venue. A shareholder who is recognized as having a fever, showing signs of ill health, and who has been back from abroad for less than 14 days may be denied attending the Meeting.
4. To ensure enough distance between shareholders, there will be limited seating available for shareholders at the Meeting. It is possible that you may not be able to be seated or enter the venue.
5. In addition to the abovementioned measures, necessary measures to prevent COVID-19 will be taken as of the date of the Meeting.

The Company's corporate information site (for Annual General Meeting of Shareholders) (Japanese only)

<https://corporate.ya-man.com/category/ir/stock/meeting/>

# Reference Documents for the Annual General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

With respect to the year-end dividends for the 47th fiscal year, the Company proposes to pay dividends as follows, taking into consideration the future business development and the status of retained earnings, and from the perspective of distributing profits to shareholders.

(1) Type of dividend property

Cash

(2) Matters concerning the allocation of dividend property to shareholders and the total amount thereof

¥6.30 per share of the Company's common stock      Total amount: ¥346,633,636

(3) Effective date of dividend of surplus

July 30, 2021



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Masaya Miyazaki (November 22, 1975)	August 1996      Joined the Company December 2000   Section Manager of Accounting Department January 2008      Director, General Manager of Administration Division and General Manager of Accounting Department February 2008     Director, LABO WELL Co. (current position) October 2008      Director, General Manager of Administration Division and General Manager of Planning Management Department, the Company June 2009           Director, LABOWELL CORPORATION January 2010      Director, General Manager of Administration Division, the Company (current position)  [Significant concurrent positions] None	20,000 shares
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Masaya Miyazaki has supervised the Administration Division for many years since he joined the Company. He has served as Director since 2008, and has abundant experience and achievement in the business and management of the Company. The Company believes that these experiences can be utilized in the execution and supervision of the Company's management to optimize management resources and realize continual growth in the future while maintaining a stable financial position, and thus proposes his reappointment as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Shota Toda (December 30, 1977)	<p>April 2001      Joined the Company</p> <p>July 2002      General Manager of Health Care Equipment Business Department I</p> <p>January 2008    Executive Officer, General Manager of Health Care Equipment Business Department II</p> <p>May 2010      Executive Officer, General Manager of Health Care Equipment Business Department II, Sales Division</p> <p>July 2010      Director, General Manager of Health Care Equipment Business Department II, Sales Division</p> <p>May 2017      Director, General Manager of Brand Strategy Division and General Manager of Health Care Equipment Business Department II, Sales Division</p> <p>May 2018      Director, General Manager of Brand Strategy Division (current position)</p> <p>[Significant concurrent positions] None</p>	48,000 shares
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Shota Toda has been actively involved in the operations of the Sales Division since he joined the Company. He has served as Director since 2010 and supervised the Brand Strategy Division since 2017, and has abundant experience and achievement in the business and management of the Company. The Company believes that these experiences can be utilized in the execution and supervision of the Company's management to address management issues including control over advertising activities from a comprehensive perspective and establishment and promotion of the YA-MAN brand, and thus proposes his reappointment as Director.</p>			
4	Jun Takada (October 10, 1976)  [New appointment]	<p>April 1999      Joined the Company</p> <p>January 2009    General Manager of Quality Management Department</p> <p>May 2020      Executive Officer, General Manager of Quality Management Department</p> <p>August 2020    Executive Officer, General Manager of Quality Management Department and General Manager of Production Engineering Department</p> <p>May 2021      Executive Officer, General Manager of Development Division, General Manager of Quality Management Department and General Manager of Production Engineering Department (current position)</p> <p>[Significant concurrent positions] None</p>	4,000 shares
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Jun Takada has been actively involved in the quality management operations in the Development Division since he joined the Company, and has abundant experience and achievement in the wide range of the Company's business. The Company believes that these experiences can be utilized in the execution and supervision of the Company's management to address management issues including enhancement of the R&amp;D systems and launching globally competitive products that are unique and of great originality, and thus proposes his appointment as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Kazuo Ishida (December 11, 1954)	<p>April 1979      Joined Daiwa Bank, Ltd. (currently Resona Bank, Limited)</p> <p>June 2007      Executive Officer, in charge of Operations Control Department, Resona Trust &amp; Banking Co., Ltd. (currently Resona Bank, Limited)</p> <p>April 2009      Executive Officer, in charge of Trust Business Department, Resona Bank, Limited</p> <p>June 2010      Managing Executive Officer, in charge of Trust Business Department</p> <p>April 2012      Full-time Audit &amp; Supervisory Board Member, Saitama Resona Bank, Limited</p> <p>February 2015   Full-time Corporate Auditor, HOKKO CHEMICAL INDUSTRY CO., LTD.</p> <p>July 2016      Senior Managing Executive Officer, in charge of Planning and Management Group (current position)</p> <p>July 2016      Outside Director, the Company (current position)</p> <p>February 2018   Representative Director, HOKKO Pax Co., Ltd.</p> <p>July 2020      Director, C. Murata &amp; Co., Ltd.</p> <p>February 2021   Representative Director (current position)</p> <p>[Significant concurrent positions] Senior Managing Executive Officer, in charge of Planning and Management Group, HOKKO CHEMICAL INDUSTRY CO., LTD. Representative Director, C. Murata &amp; Co., Ltd.</p>	1,000 shares
<p>[Reason for nomination as candidate for Outside Director and expected roles] Mr. Kazuo Ishida has held key positions in financial institutions, chemical companies, and other companies and has broad knowledge and abundant experience in corporate management, corporate governance, and internal control. Since assuming the position of Outside Director of the Company in July 2016, he has utilized his experience and knowledge to actively provide the Board of Directors with advice and recommendations and appropriately make decisions while remaining objective and neutral. In the expectation that he may provide advice on overall management, enhance supervisory functions, and appropriately make decisions at the Board of Directors, the Company proposes his reappointment as Outside Director.</p>			





No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Saki Igawa (October 10, 1980)  [New appointment]	<p>April 2003      Joined STAFF SERVICE HOLDINGS CO., LTD.</p> <p>April 2006      Joined M-OUT Inc.</p> <p>June 2010        Joined Pretzel Japan Co., Ltd.</p> <p>September 2013    Joined TORIDOLL Holdings Corporation</p> <p>November 2014    Joined BLUE BOTTLE COFFEE</p> <p>June 2015        Director (current position), Representative of Japan</p> <p>November 2018    Transferred to BLUE BOTTLE COFFEE Inc., VP of Experience</p> <p>August 2019      Asia President</p> <p>October 2020     Chief Brand Officer (current position)</p> <p>[Significant concurrent position] Chief Brand Officer, BLUE BOTTLE COFFEE Inc.</p>	-
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Ms. Saki Igawa has experience in a broad range of industries and excellent ability as a corporate executive. She is also well versed in branding, one of the Company's management issues, and the Company highly values her experience and ability. In the expectation that she may provide advice on branding of the Company and recommendations with respect to the Company's management from her multifaceted perspectives, the Company proposes her appointment as Outside Director.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Mr. Kazuo Ishida, Mr. Takeshi Kurihara, and Ms. Saki Igawa are candidates for Outside Director.
  3. If Mr. Kazuo Ishida, Mr. Takeshi Kurihara, and Ms. Saki Igawa assume the position of Director, they will become Independent Directors as prescribed by the Tokyo Stock Exchange.
  4. At the conclusion of this General Meeting, terms of office of candidates Mr. Kazuo Ishida and Mr. Takeshi Kurihara as Outside Director of the Company will have been five (5) years and two (2) years, respectively.
  5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Kazuo Ishida and Mr. Takeshi Kurihara to limit their liability for damages as stipulated in Article 423, paragraph (1) of said Act. The limit of liability for damages under the agreement shall be the minimum amount of liability stipulated in Article 425, paragraph (1) of said Act. If the election of Mr. Kazuo Ishida and Mr. Takeshi Kurihara is approved, the above agreement will continue to apply. Furthermore, if the election of Ms. Saki Igawa is approved, the Company intends to enter into the above agreement with her as well.
  6. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. The said insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured due to negligence and other reasons in the execution of his/her duties. If Ms. Kimiyo Yamazaki, Mr. Masaya Miyazaki, Mr. Shota Toda, Mr. Jun Takada, Mr. Kazuo Ishida, Mr. Takeshi Kurihara, and Ms. Saki Igawa are elected, they will be included as an insured under said insurance agreement, which is to be retained with the same terms and conditions at the next renewal.

**Proposal 3: Election of Two (2) Audit & Supervisory Board Members**

The terms of office of Audit & Supervisory Board Members Mr. Masatoshi Yamada and Mr. Kazumi Kojima will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes to elect Mr. Kazumi Kojima and Mr. Nozomu Toriyama.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Members are as follows.

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	Kazumi Kojima (November 9, 1950)	May 1986      Joined PARCO CO., LTD. May 1997      Director, Chief of Finance Office, Management Division May 2003      Director and Managing Executive Officer, Head of Planning Office March 2007    Director and Senior Managing Executive Officer, Chief of Accounting & Finance Office May 2013      Full-time Audit & Supervisory Board Member, ICHISHIN HOLDINGS CO., LTD. May 2015      Audit & Supervisory Board Member April 2019    Audit & Supervisory Board Member, the Company (current position) April 2020    Full-time Audit & Supervisory Board Member, STORAGE OH, K.K. April 2021    Audit & Supervisory Board Member [Significant concurrent positions] None	-
[Reason for nomination as candidate for Outside Audit & Supervisory Board Member] Mr. Kazumi Kojima has held positions such as Director of PARCO CO., LTD. and Audit & Supervisory Board Member of ICHISHIN HOLDINGS CO., LTD., and has abundant practical experience and broad knowledge in overall corporate management including financial accounting and legal affairs. The Company believes that he is a person who can appropriately perform his duties as Outside Audit & Supervisory Board Member by utilizing these experiences and knowledge, and thus proposes his appointment as Outside Audit & Supervisory Board Member.			



**Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member

The Company proposes the election of one (1) substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
Kazuaki Oshiumi (July 17, 1965)	April 1990	Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)
	July 1993	Joined Junichiro Yamada Certified Public Accountants and Tax Accountants Office (currently Grant Thornton Yamada & Partners)
	September 1996	Joined Kazuyoshi Oshiumi Certified Public Accountants Office
	April 1999	Partner, YUSEI Audit & Co. (currently Grant Thornton Taiyo LLC)
	September 2000	Founded Oshiumi Tax Corporation
	November 2000	Representative Partner, YUSEI Audit & Co.
	August 2004	Representative Director and Founder Xbrain Co., Ltd. (current position)
	January 2010	Representative Partner, Oshiumi Tax Corporation (current position)
	January 2012	Councillor, Tokyo Symphony Orchestra (current position)
	June 2015	Auditor, Japan Pair Go Association (current position)
	June 2016	CEO and Founder of Rev Partners. Inc. (current position)
	July 2018	Partner, Grant Thornton Taiyo LLC

[Reason for nomination as candidate for Substitute Audit & Supervisory Board Member]

Mr. Kazuaki Oshiumi is qualified as a Certified Public Accountant and Licensed Tax Accountant and has abundant practical experience and broad knowledge in financial accounting and corporate management. The Company believes that he is a person who can appropriately perform his duties as Outside Audit & Supervisory Board Member by utilizing these experiences and knowledge, and thus proposes his reappointment as substitute Outside Audit & Supervisory Board Member.

- Notes:
1. There are no special interests between the candidate and the Company.
  2. Mr. Kazuaki Oshiumi is a candidate for substitute Outside Audit & Supervisory Board Member.
  3. If Mr. Kazuaki Oshiumi assumes the position of Audit & Supervisory Board Member, he will become Independent Auditor as prescribed by the Tokyo Stock Exchange.
  4. If Mr. Kazuaki Oshiumi assumes the position of Audit & Supervisory Board Member, the Company plans to enter into an agreement with him pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit his liability for damages as stipulated in Article 423, paragraph (1) of said Act. The limit of his liability for damages under the agreement shall be the minimum amount of liability stipulated in Article 425, paragraph (1) of said Act.

5. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. The said insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured due to negligence and other reasons in the execution of his/her duties.  
If Mr. Kazuaki Oshiumi assumes the position of Audit & Supervisory Board Member, he will be included as an insured under said insurance agreement, which is to be retained with the same terms and conditions at the next renewal.

(Appendix)

# Business Report

(May 1, 2020 – April 30, 2021)

## 1. Overview of the Corporate Group

### (1) Business Progress and Results

In the fiscal year that ended on April 30, 2021, the business climate remained extremely challenging in Japan as COVID-19 restricted a broad range of economic and social activities. The COVID-19 pandemic situation improved temporarily as restrictions were eased. However, the resurgence of COVID-19 infections has led to a renewed declaration of a state of emergency and there are still no signs of a full-scale recovery.

The prolonged deterioration of the economic environment all over the world has raised concerns about the risk of a global economic downturn.

Under such circumstances, sales of the YA-MAN Group have increased significantly, mainly in the direct sales and overseas sales segments, because people have shifted their purchases from physical stores to other channels, primarily e-commerce, due to the COVID-19 crisis.

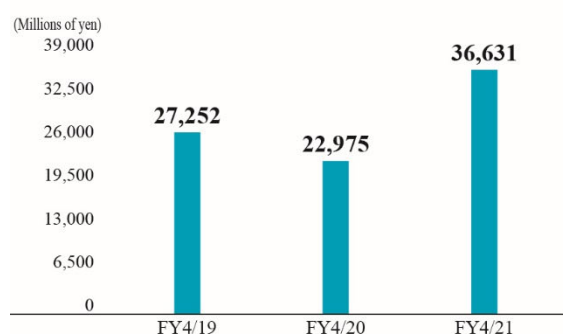
Results of operations were much stronger than one year earlier, resulting in record-high sales and earnings. This performance demonstrates the ability of our large and diverse lineup of products with outstanding functions to earn the support of customers. Another reason is the diversification of risk exposure resulting from many years of activities to establish numerous sales channels. Consolidated net sales increased 59.4% year-on-year to 36,631 million yen, operating profit increased 144.2% year-on-year to 6,116 million yen, ordinary profit increased 164.2% year-on-year to 6,104 million yen, and profit attributable to owners of parent increased 181.9% year-on-year to 3,727 million yen.

We will continue to focus on R&D activities in order to be a manufacturer capable of supplying products that can surprise customers and exceed their expectations. We will also invest in the branding of individual products as well as corporate branding. By taking these actions, we aim to achieve the goals of sales of 50 billion yen and an operating margin of 20% as stated in the medium-term management plan that was announced in November 2020.

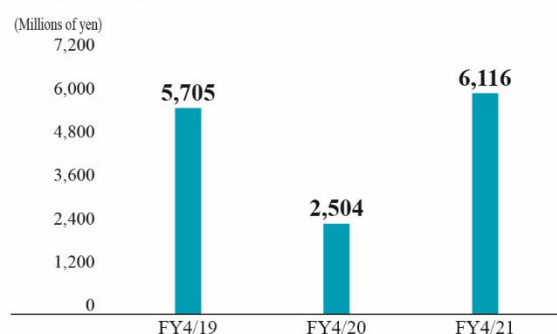
To accomplish our goal of becoming a global brand company based in Japan, we will also work on activities such as M&A, business alliances, and strengthening operations in other countries.

### Consolidated Financial Highlights

#### • Net sales



#### • Operating profit



The state of each segment is as below.

The YA-MAN Group's beauty and health business can be largely divided by sales channel into four segments--mail-order sales, store sales, direct sales, and overseas sales.

For the mail-order sales segment, both sales and earnings were higher than in previous fiscal year as sales via terrestrial TV shopping channels increased significantly and sales to catalog sales companies were steady. Segment sales increased 12.0% year-on-year to 4,948 million yen and segment profit increased 19.0% year-on-year to 1,997 million yen.

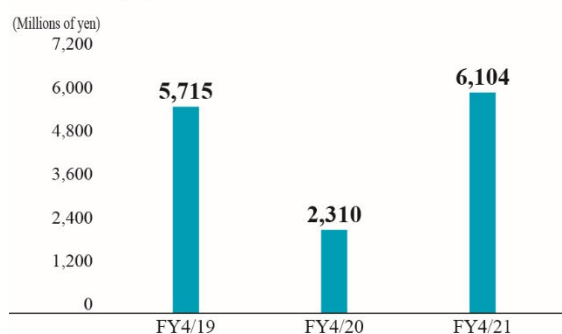
For the store sales segment, we focused mainly on domestic customers as sales to foreign visitors, mainly at duty-free shops were down to almost a standstill. As a result, total sales increased 11.4% year-on-year to 7,605 million yen, but segment profit fell below the previous year's level to 2,003 million yen (down 2.1% year-on-year) due to an increase in sales promotion costs.

For the direct sales segment, web-based sales, mainly at our direct sales website and online shopping mall, increased significantly and sales through infomercials\* also performed very well. As a result, there was a substantial increase in both sales and earnings as sales increased 106.3% year-on-year to 12,059 million yen, and segment profit increased 180.7% year-on-year to 5,982 million yen.

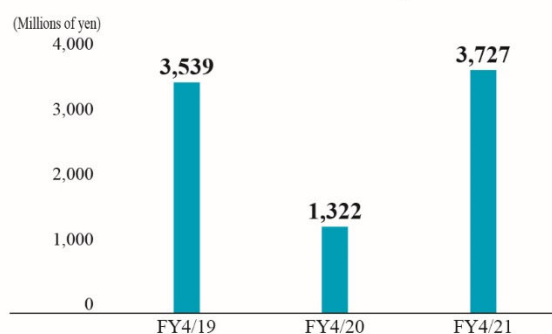
\* "Infomercial" is a combination of two words, "information" and "commercial." Infomercials first appeared as a TV shopping medium in Europe and North America.

For the overseas sales segment, e-commerce sales in China, which use sales channels such as T-mall, were very strong. As a result, both sales and earnings were much higher than one year earlier as sales increased 123.7% year-on-year to 10,997 million yen and segment profit increased 84.7% year-on-year to 3,012 million yen.

#### • Ordinary profit



#### • Profit attributable to owners of parent



## (2) Financing and facilities and equipment investment

### a. Financing

In the fiscal year under review, the YA-MAN Group raised 2,500 million yen by borrowing from banks.

Meanwhile, the Group repaid 300 million yen in short-term borrowings and 117.9 million yen in long-term borrowings.

### b. Facilities and equipment investments

The total amount of facilities and equipment investment that the YA-MAN Group made during the fiscal year under review was 422 million yen. These investments were mainly purchase of molds used to manufacture products and investments to improve the Group's e-commerce platform.

## (3) Changes in assets and business results

### a. Changes in assets and business results of the YA-MAN Group

Fiscal year Item	FY4/18 May 1, 2017 to April 30, 2018	FY4/19 May 1, 2018 to April 30, 2019	FY4/20 May 1, 2019 to April 30, 2020	FY4/21 (The fiscal year under review ) May 1, 2020 to April 30, 2021
Net sales (thousand yen)	23,030,230	27,252,371	22,975,758	36,631,026
Ordinary profit (thousand yen)	5,345,643	5,715,275	2,310,752	6,104,957
Profit attributable to owners of parent (thousand yen)	3,399,819	3,539,647	1,322,586	3,727,926
Net income per share (yen)	59.62	62.65	23.66	67.75
Total assets (thousand yen)	16,524,115	17,959,780	17,292,977	25,855,511
Net assets (thousand yen)	11,877,492	13,072,242	13,361,715	16,893,058
Net assets per share (yen)	208.27	233.67	242.85	307.03



b. Changes in assets and business results of YA-MAN

Fiscal year Item	FY4/18 May 1, 2017 to April 30, 2018	FY4/19 May 1, 2018 to April 30, 2019	FY4/20 May 1, 2019 to April 30, 2020	FY4/21 (The fiscal year under review ) May 1, 2020 to April 30, 2021
Net sales (thousand yen)	22,953,174	26,407,220	21,897,239	36,122,257
Ordinary profit (thousand yen)	5,488,707	6,095,712	2,752,077	6,546,621
Profit (thousand yen)	3,306,742	3,662,116	1,700,287	3,474,832
Net income per share (yen)	57.98	64.82	30.42	63.15
Total assets (thousand yen)	16,491,365	17,615,450	17,255,600	26,043,066
Net assets (thousand yen)	11,849,833	13,166,676	13,841,052	17,117,699
Net assets per share (yen)	207.79	235.35	251.56	311.11

- Notes: 1. Net income per share is calculated based on the average number of shares outstanding during the period, while net assets per share is calculated based on the number of shares outstanding at the end of the period. The figures have been rounded to the nearest hundredths.
2. YA-MAN conducted a ten-for-one common stock split effective on November 1, 2017. Net income per share and net assets per share are calculated on the premise that the stock split had taken place at the beginning of FY4/18.

#### **(4) Issues to be addressed**

The YA-MAN Group is focused on the following initiatives in order to achieve its medium-term management plan.

##### **a. Strengthen R&D activities**

In the beauty and health industry in which the YA-MAN Group operates, various manufacturers and dealers are selling a wide variety of products.

Under such conditions, the YA-MAN Group needs to constantly create original and innovative products based on the YA-MAN spirit of “A new beautiful.” to have consumers select products of the Group.

The YA-MAN Group sees strengthening R&D activities as one of our highest priorities. As a manufacturer that started as a supplier of professional beauty equipment, we will develop products based on our technological capabilities that change how people perceive beauty care. We also plan to assign more people to measuring the effectiveness, confirming safety and managing the quality of new products as well as to build a sound infrastructure for these operations.

##### **b. Corporate branding**

The YA-MAN Group aims to be “a global brand company based in Japan.” To this end, in addition to increasing awareness of individual products and product brands, we need to conduct global activities for increasing awareness of the YA-MAN corporate brand.

We will strive to establish and spread the YA-MAN brand by increasing advertising activities that give people a better perception of YA-MAN. Plans also include new services such as HYOJO Science Lab, Face Lift Gym, and live commerce. Other aspects of corporate branding are fully utilizing women and people from countries other than Japan in the YA-MAN workforce, and to be engaged in many environmental activities.

##### **c. Businesses that use the convergence of beauty care devices and cosmetics**

We plan to increase emphasis on the planning and development of cosmetics used with beauty care devices in order to increase effectiveness and of products that incorporate both beauty care devices and cosmetics.

Developing these types of products is expected to increase the number of repeat users of YA-MAN cosmetics, resulting in consistent sales. Strengthening activities involving the convergence of beauty care devices and cosmetics is also expected to differentiate YA-MAN products from those of competitors.

Although the COVID-19 is having a severe impact on the global economy, the YA-MAN Group views the resulting shifts in customers’ consumption patterns as business opportunities. Our goals are to continue upgrading services for customers, create new markets and identify new needs. All these measures are aimed at making YA-MAN a global brand company based in Japan.

#### **(5) The main business**

The YA-MAN Group is mainly involved in the research and development, manufacture and sale of beauty and health equipment as well as planning and development, and purchase and sale of cosmetics, miscellaneous goods, apparel and fashion items, etc.

**(6) Main offices of the YA-MAN Group**

a. Main offices of the YA-MAN Group

Name	Location
Registered Office	Koto-ku, Tokyo
Head Office	Koto-ku, Tokyo
LABO WELL Co.	Koto-ku, Tokyo
YA-MAN U.S.A. LTD.	Wilmington, Delaware, U.S.A.

b. Number of employees in the YA-MAN Group

Segment	Number of employees
Mail-order sales	9
Store sales	155
Direct sales	22
Overseas sales	11
Other	1
Company-wide (common)	128
Total	326

Note: Company-wide (common) refers to the employees in the Administration Division, Development Division and the Production and Logistics Division.

c. Employees at YA-MAN

Number of employees	Difference from the previous fiscal year	Average number of years employed	Average age
325	+72	4.6 years	34.6 years

Note: With the transfer of the business from our consolidated subsidiary D-FIT Co., Ltd. and the dissolution of the company, the Company has taken on 55 employees from the company.

**(7) Status of significant parent and subsidiaries, etc.**

a. Status of parent

No items to report.

b. The status of subsidiaries, etc.

Company name	Capital (thousand yen)	Equity ownership ratio	Main business
LABO WELL Co.	10,000	100.0%	Sales of beauty and health equipment, cosmetics and apparel, etc.
YA-MAN U.S.A. LTD.	1,004,654	100.0%	Sales of beauty and health equipment and cosmetics, etc.
MACHERIE BEAUTY TECHNOLOGY CO.,LTD	153,271	35.0%	Manufacture and sales of beauty and health equipment
EFFECTIM Company, Limited	499,900	35.0%	Planning and sales of beauty and health equipment and cosmetics, etc.

Note: All the business of D-FIT Co., Ltd., which was a consolidated subsidiary at the end of the previous fiscal year, was transferred to the Company and the company was dissolved effective December 1, 2020, with the liquidation completed as of April 2021.

c. The status of specified wholly-owned subsidiaries as of April 30, 2021

No items to report.

**(8) Major lenders and amounts of borrowings**

Lender	Amount of borrowing (thousand yen)
Sumitomo Mitsui Banking Corporation	1,082,700
MUFG Bank, Ltd.	500,000
Mizuho Bank, Ltd.	500,000
Sumitomo Mitsui Trust Bank, Limited	500,000

Note: Listing lenders for amounts of 100 million or more as of the end of the fiscal year.

**(9) Other significant matters concerning current status of the YA-MAN Group**

No items to report.

## 2. Status of Shares

- (1) Total number of shares authorized to be issued 195,555,520 shares
- (2) Total number of shares outstanding 58,348,880 shares  
(including 3,327,668 treasury shares)
- (3) Number of shareholders as of the end of the fiscal year 55,565 persons

### (4) Major shareholders

Shareholder's name	Number of shares	Shareholding ratio (%)
Shizuko Yamazaki	9,527,450	17.31
Kimiyo Yamazaki	6,204,600	11.27
Custody Bank of Japan, Ltd. (Trust Account and others)	3,000,700	5.45
General Incorporated Association Biyamazaki	2,811,050	5.10
Mitsuhide Yamazaki	2,453,600	4.45
Victoria Yamazaki	2,080,000	3.78
Tomomi Yamazaki	2,080,000	3.78
Iwao Yamazaki	1,473,600	2.67
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,220,000	2.21
STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH, LUXEMBOURG BRANCH ON BEHALF OF ITS CLIENTS : CLIENT OMNI OM25	851,600	1.54

Notes: 1. Shareholding ratios are rounded down to the second decimal place.  
2. Treasury shares are excluded for calculating the shareholding ratios.

### (5) Other significant matters concerning shares

No items to report.

## 3. Matters concerning share acquisition rights

No items to report.

#### 4. Matters concerning company officers

##### (1) Directors and Audit & Supervisory Board Members (As of April 30, 2021)

Name	Positions and responsibilities	Significant concurrent positions
Kimiyo Yamazaki	President and Representative Director	Representative Director, LABO WELL Co. Representative Director, YAMAN U.S.A. LTD.
Masaya Miyazaki	Director, General Manager of Administration Division	-
Shota Toda	Director, General Manager of Brand Strategy Division	-
Kazuo Ishida	Director	Senior Managing Executive Officer, in charge of Planning and Management Group, HOKKO CHEMICAL INDUSTRY CO., LTD. Representative Director, C. Murata & Co., Ltd.
Takeshi Kurihara	Director	Certified Public Accountant
Eiji Iwasaki	Full-time Audit & Supervisory Board Member	-
Masatoshi Yamada	Audit & Supervisory Board Member	Lawyer
Kazumi Kojima	Audit & Supervisory Board Member	Audit & Supervisory Board Member, STORAGE OH, K.K.

- Notes:
1. Directors Kazuo Ishida and Takeshi Kurihara are Outside Directors as stipulated in Article 2, item 15 of the Companies Act.
  2. Audit & Supervisory Board Members Eiji Iwasaki, Masatoshi Yamada and Kazumi Kojima are Outside Company Auditors as stipulated in Article 2, item 16 of the Companies Act.
  3. We have notified the Tokyo Stock Exchange that Directors Kazuo Ishida and Takeshi Kurihara, and Audit & Supervisory Board Members Eiji Iwasaki, Masatoshi Yamada, and Kazumi Kojima are independent officers as stipulated in the regulations of the exchange.
  4. Audit & Supervisory Board Member Kazumi Kojima has been engaged in corporate accounting and financial operations over many years and has considerable knowledge relating to finances and accounting.
  5. The Company employs the Executive Officer System to ensure expeditious and effective decision making and execution of duties by the Board of Directors.
  6. The Company appointed one (1) substitute Audit & Supervisory Board Member under the provisions of Article 329, paragraph (3) of the Companies Act as a precaution against a shortage in the number of Audit & Supervisory Board Members required by applicable laws and regulations.

##### (2) Outline of the limited liability agreement

The Company has entered into an agreement with each Outside Director and each Outside Audit & Supervisory Board Member pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, to limit their liability for damages as stipulated in Article 423, paragraph (1) of said Act.

The limit of the liability under the agreement shall be the minimum amount of liability stipulated in Article 425, paragraph (1) of the Companies Act.

### **(3) Outline of the directors and officers liability insurance agreement**

The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. The said insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured due to negligence and other reasons in the execution of his/her duties.

However, to avoid any deterioration in the appropriateness of the insured person's execution of duties, this agreement does not cover certain causes such as claims for compensation of damages where there is violation of laws and regulations due to the intent of the insured person.

Insured persons under this directors and officers liability insurance agreement shall be all Directors and Audit & Supervisory Board Members of the Company, and the insurance premiums for all insured persons is fully borne by the Company.

### **(4) Compensation, etc. for Directors and Audit & Supervisory Board Members in the fiscal year under review**

- a. Matters concerning the policy for determining details of compensation, etc. for each director  
At the Board of Directors meeting convened on February 13, 2021, the Company resolved a policy for determining the details of compensation, etc. for each Director as follows.

In addition, the Board of Directors has confirmed that details including the method of determining details of compensation, etc. and the determined compensation, etc. for each Director in the fiscal year under review are consistent with the resolution and judged it to be in line with the policy.

i. Basic policy

The basic policy is that the compensation for Directors of the Company shall be at an appropriate level taking account of each Director's responsibility when determining the compensation for each Director, with comprehensive consideration given to factors such as each Director's position, designated duties, outcomes, level of contribution to the Company, social status, reasons why each Director assumed his or her office and the Company's earnings so that the compensation can serve as an incentive for sustainable increase of corporate value.

Specifically, the decision of the amount of compensation, etc. for each Director shall, within the limit for compensation of Directors decided at the general meeting of shareholders, for Executive Directors, give comprehensive consideration to factors such as each Director's position, designated duties, outcomes, level of contribution to the Company, social status, reasons why each Director assumed his or her office and the Company's earnings within the limit for compensation of Directors decided at the general meeting of shareholders. For Outside Directors, who are responsible for a supervisory function, comprehensive consideration shall be given to factors such as Director's level of contribution to the Company, social status, reasons why each Director assumed his or her office in light of such responsibilities, and in either case only basic compensation shall be paid.

- ii. Policy concerning the determination of the amount of compensation, etc. for each Director's basic compensation (monetary compensation) (including the policy concerning the determination of the period and terms and conditions applied to the compensation, etc.)

The basic compensation for Directors of the Company shall be fixed monthly compensation, and the compensation for Executive Directors shall be determined, with consideration given to factors such as each Director's position, designated duties, outcomes, level of contribution to the Company, social status, reasons why each Director assumed his or her office and the Company's earnings by multiplying the maximum amount of salaries for the rank of General Manager by a coefficient based on the positions of Directors determined at the Board of Directors as well as general levels of the compensation of Executive Directors and the compensation of Outside Directors. For Outside Directors, the basic compensation shall be determined with comprehensive consideration given to factors such as each Director's level of contribution to the Company, social status and reasons why each Director assumed his or her office as well as reference to general levels of the compensation of Executive Directors and the compensation of Outside Directors.

- iii. Policy concerning the determination of the details, the amount and calculation method for performance-linked compensation, etc. as well as non-monetary compensation (including the policy concerning the determination of the timing and terms and conditions applied to the compensation, etc.)

The Company has not introduced performance-linked compensation, etc. or non-monetary compensation, etc. and will consider in future, as necessary.

- iv. Policy concerning the determination of the proportion of compensation, etc. for each Director to be allocated in terms of the amount of monetary compensation, the amount of performance-linked compensation, etc., and the amount of non-monetary compensation, etc.

The Company pays basic compensation (monetary compensation) only and will consider introducing performance-linked compensation, etc. and non-monetary compensation, etc. in future, as necessary.

- v. Matters concerning the determination of details of compensation, etc. of each Director

For the amount of compensation for each Director, specific details shall be delegated to the Representative Director in accordance with a resolution of the Board of Directors, and the details of the delegated authority are the evaluation allotment of the amount of each Director's basic compensation.

- b. Matters concerning a resolution of the general meeting of shareholders concerning compensation, etc. for Directors and Audit & Supervisory Board Members

The 32nd Annual General Meeting of Shareholders held on July 3, 2006 resolved to set the maximum amount of Directors' monetary compensation at 300 million yen per fiscal year (not including employee salaries for Directors concurrently serving as employees). There were seven (7) Directors as at the conclusion of the Annual General Meeting of Shareholders.

The 33rd Annual General Meeting of Shareholders held on July 30, 2007 resolved to set the maximum amount of Audit & Supervisory Board Members' monetary compensation at 30 million yen per fiscal year. There were three (3) Audit & Supervisory Board Members as at the conclusion of the Annual General Meeting of Shareholders.

- c. Matters concerning the delegation relating to the determination of the details of compensation, etc. of each Director

For the fiscal year under review, the Board of Directors resolved at a meeting held on July 29, 2020 to delegate the determination of specific details of the amounts of compensation for each Director to Representative Director Kimiyo Yamazaki.

The details of the authority are the determination of the annual salary amount for basic compensation that take account of factors such as the details of the duties designated to each Director and the level of his or her contribution to the Company's earnings.

The reason for delegating the authority to the Representative Director is that she is familiar with the business environment surrounding the Company and the Company's management situation, the Representative Director is deemed to be the most suitable person for evaluating the designated duties of each Director while having an overarching view of the Company as a whole.

- d. Total amount of compensation, etc. for Directors and Audit & Supervisory Board Members, etc.

Category	Number of recipients	Basic remuneration
Directors	7	119,308 thousand yen
Audit & Supervisory Board Members	3	18,000 thousand yen
Total	10	137,308 thousand yen

- Notes: 1. The above includes two (2) Directors who retired at the conclusion of the 46th Annual General Meeting of Shareholders held on July 29, 2020.
2. The above amounts include the amount for two (2) Outside Directors and the amount for three (3) Outside Audit & Supervisory Board Members for which the total amount was 24,150 thousand yen.
3. Apart from the above amounts, retirement benefits of 26,000 thousand yen were paid to one (1) retired Director.



4. Apart from the above amounts, the Company does not pay performance-linked compensation, etc. or non-monetary compensation, etc.

**(5) Other significant matters concerning the Company's Officers**

No items to report.

**(6) Matters concerning Outside Officers**

- a. Matters concerning significant concurrent positions as an executive officer of another corporation, etc.

Director Kazuo Ishida is Senior Managing Executive Officer of HOKKO CHEMICAL INDUSTRY CO., LTD. and Representative Director of C. Murata & Co., Ltd., but neither company has any particular relationship with the Company.

- b. Matters concerning significant concurrent positions as an outside officer of another corporation, etc.

Audit & Supervisory Board Member Kazumi Kojima is an Audit & Supervisory Board Member of STORAGE OH, K.K., but the company has no particular relationship with the Company.

- c. Familial relationship with executive officers or officers (excluding persons who are executive officers) of the Company or specified associated service provider.

No items to report.

d. Principal activities of each Outside Officer

Category	Name	Principle activities
Director	Kazuo Ishida	Attended all 16 meetings of the Board of Directors held during the fiscal year under review and provided advice to ensure the adequacy and appropriateness of the Board of Directors' decision making such as expressing his opinion based on his extensive practical experience in corporate management. He appropriately fulfilled the role of supervision and advice on overall management expected by the Company.
Director	Takeshi Kurihara	Attended all 16 meetings of the Board of Directors held during the fiscal year under review and provided advice to ensure the adequacy and appropriateness of the Board of Directors' decision making mainly by expressing his opinion from an expert perspective as a Certified Public Accountant. He appropriately fulfilled the role of overall supervision and advice on financial accounting expected by the Company.
Audit & Supervisory Board Member	Eiji Iwasaki	Attended all 16 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the fiscal year under review and made appropriate and necessary statements utilizing his wide-ranging experience cultivated at the bank.
Audit & Supervisory Board Member	Masatoshi Yamada	Attended 12 out of 16 meetings of the Board of Directors and 10 out of 14 meetings of the Audit & Supervisory Board held during the fiscal year under review and made appropriate and necessary statements from his expert perspective as a lawyer.
Audit & Supervisory Board Member	Kazumi Kojima	Attended all 16 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the fiscal year under review and made appropriate and necessary statements such as expressing his opinion based on his wide-ranging insights concerning accounting and finance.

## 5. Matters concerning the Accounting Auditor

### (1) Name

KPMG AZSA LLC

### (2) Matters concerning the limited liability agreement

The Company and KPMG AZSA LLC have entered into an agreement pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, to limit their liability for damages under Article 423, paragraph (1) of the same Act.

The limit of the liability in accordance with the agreement shall be the minimum amount of liability stipulated in Article 425, paragraph (1) of the Companies Act.

### (3) Amount paid as compensation, etc. to Accounting Auditor

	Type	Amount of compensation, etc.
1.	Amount of compensation, etc. for audit services provided for in Article 2, paragraph (1) of the Certified Public Accountants Act (Act No. 103 of 1948)	36,160 thousand yen
2.	Total amount of compensation and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	36,160 thousand yen

Notes: 1. The Audit & Supervisory Board furnished its consent with respect to amount of compensation, etc. payable to the Accounting Auditor upon having adequately verified the appropriateness of the content of the Accounting Auditor's audit plan, status of performing duties of the accounting audit, the basis for calculating estimates of the compensation and other such details.

2. The audit contract between the Company and the Accounting Auditor does not clearly specify and cannot materially classify the amounts of compensation that are paid for audits performed under provisions of the Companies Act or provisions of the Financial Instruments and Exchange Act. Accordingly, the table entries for compensation, etc. are the totals of these respective amounts.

### (4) Policy on determination of the dismissal or non-reappointment

Apart from the Audit & Supervisory Board dismissing the Accounting Auditor pursuant to Article 340 of the Companies Act, if the Audit & Supervisory Board recognizes that the Accounting Auditor has difficulty in the appropriate execution of its duties, the Audit & Supervisory Board shall determine a proposal concerning the dismissal or non-reappointment of the Accounting Auditor and the Board of Directors shall submit such proposal to the general meeting of shareholders based on such determination.

Note: The above amounts are rounded down to the nearest thousand yen.

## Consolidated Balance Sheet

(As of April 30, 2021)

(In thousands of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>23,538,015</b>	<b>Current liabilities</b>	<b>6,992,332</b>
Cash and deposits	12,957,641	Notes and accounts payable-trade	2,600,220
Notes and accounts receivable-trade	4,000,909	Current portion of long-term borrowings	628,700
Merchandise and finished goods	2,491,493	Lease obligations	8,869
Work in process	87,586	Accounts payable - other	1,773,480
Raw materials and supplies	1,113,254	Income taxes payable	1,632,203
Accounts receivable – other	1,663,551	Provision for bonuses	66,085
Other	1,223,577	Provision for sales returns	117,829
<b>Non-current assets</b>	<b>2,317,496</b>	Provision for point card certificates	6,324
<b>Property, plant and equipment</b>	<b>691,019</b>	Other	158,620
Buildings and structures	278,529	<b>Non-current liabilities</b>	<b>1,970,120</b>
Machinery, equipment and vehicles	120,461	Long-term borrowings	1,954,000
Land	207,680	Lease obligations	16,120
Leased assets	22,248	<b>Total liabilities</b>	<b>8,962,453</b>
Construction in progress	17,337	<b>(Net assets)</b>	
Other	44,762	<b>Shareholders' equity</b>	<b>16,902,990</b>
<b>Intangible assets</b>	<b>559,722</b>	Share capital	1,813,796
Other	559,722	Capital surplus	1,432,431
<b>Investments and other assets</b>	<b>1,066,754</b>	Retained earnings	16,543,880
Investment securities	300,000	Treasury shares	(2,887,118)
Shares of subsidiaries and associates	277,189	<b>Accumulated other comprehensive income</b>	<b>(9,931)</b>
Deferred tax assets	247,490	Foreign currency translation adjustment	(9,931)
Other	242,074	<b>Total net assets</b>	<b>16,893,058</b>
<b>Total assets</b>	<b>25,855,511</b>	<b>Total liabilities and net assets</b>	<b>25,855,511</b>

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.

## Consolidated Statement of Income

(May 1, 2020 – April 30, 2021)

(In thousands of yen)

Description	Amount	
<b>Net sales</b>		<b>36,631,026</b>
<b>Cost of sales</b>		<b>13,141,498</b>
<b>Gross profit</b>		<b>23,489,528</b>
<b>Selling, general and administrative expenses</b>		<b>17,372,728</b>
<b>Operating profit</b>		<b>6,116,800</b>
<b>Non-operating income</b>		
Interest and dividend income	885	
Foreign exchange gains	99,414	
Other	44,042	<b>144,341</b>
<b>Non-operating expenses</b>		
Interest expenses	14,557	
Guarantee commission	2,275	
Sales discounts	5,741	
Share of loss of entities accounted for using equity method	119,944	
Other	13,666	<b>156,185</b>
<b>Ordinary profit</b>		<b>6,104,957</b>
<b>Extraordinary income</b>		
Settlement received	2,700	
Surrender value of insurance policies	4,900	<b>7,600</b>
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	29,252	
Amortization of goodwill	485,422	<b>514,675</b>
<b>Profit before income taxes</b>		<b>5,597,882</b>
Income taxes-current	1,930,802	
Income taxes-deferred	(60,846)	<b>1,869,955</b>
<b>Profit</b>		<b>3,727,926</b>
<b>Profit attributable to owners of parent</b>		<b>3,727,926</b>

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.

## Consolidated Statement of Changes in Equity

(May 1, 2020 – April 30, 2021)

(In thousands of yen)

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance at May 1, 2020	1,813,796	1,432,431	13,014,031	(2,887,009)	13,373,250
Changes of items during the period					
Dividends of surplus	-	-	(198,076)	-	(198,076)
Profit attributable to owners of parent	-	-	3,727,926	-	3,727,926
Purchase of treasury shares	-	-	-	(109)	(109)
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	-	-	3,529,849	(109)	3,529,739
Balance at April 30, 2021	1,813,796	1,432,431	16,543,880	(2,887,118)	16,902,990

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at May 1, 2020	(11,534)	(11,534)	13,361,715
Changes of items during the period			
Dividends of surplus	-	-	(198,076)
Profit attributable to owners of parent	-	-	3,727,926
Purchase of treasury shares	-	-	(109)
Net changes of items other than shareholders' equity	1,602	1,602	1,602
Total changes of items during the period	1,602	1,602	3,531,342
Balance at April 30, 2021	(9,931)	(9,931)	16,893,058

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.

**Balance Sheet**  
(As of April 30, 2021)

(In thousands of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>23,119,892</b>	<b>Current liabilities</b>	<b>6,955,246</b>
Cash and deposits	12,694,937	Notes payable-trade	307,249
Notes receivable-trade	25,974	Accounts payable-trade	2,269,060
Accounts receivable-trade	3,968,252	Current portion of long-term borrowings	628,700
Merchandise and finished goods	2,345,404	Lease obligations	8,869
Work in process	87,586	Accounts payable - other	1,773,341
Raw materials and supplies	1,113,254	Accrued expenses	91,522
Advance payments	110,187	Income taxes payable	1,630,071
Prepaid expenses	693,144	Advances received	42,156
Accounts receivable – other	1,668,266	Deposits received	10,955
Other	412,883	Provision for bonuses	66,085
<b>Non-current assets</b>	<b>2,923,173</b>	Provision for sales returns	117,829
<b>Property, plant and equipment</b>	<b>691,019</b>	Provision for point card certificates	6,324
Buildings	278,529	Other	3,080
Structures	0	<b>Non-current liabilities</b>	<b>1,970,120</b>
Machinery and equipment	120,461	Long-term borrowings	1,954,000
Tools, furniture and fixtures	44,762	Lease obligations	16,120
Land	207,680	<b>Total liabilities</b>	<b>8,925,367</b>
Leased assets	22,248	<b>(Net assets)</b>	
Construction in progress	17,337	<b>Shareholders' equity</b>	<b>17,117,699</b>
<b>Intangible assets</b>	<b>559,550</b>	<b>Share capital</b>	<b>1,813,796</b>
Patent right	72,392	<b>Capital surplus</b>	<b>1,432,431</b>
Software	318,861	Legal capital surplus	1,313,795
Other	168,295	Other capital surplus	118,636
<b>Investments and other assets</b>	<b>1,672,604</b>	<b>Retained earnings</b>	<b>16,758,590</b>
Investment securities	300,000	Legal retained earnings	61,792
Shares of subsidiaries and associates	658,857	Other retained earnings	16,696,798
Deferred tax assets	472,962	General reserve	5,500
Other	240,784	Retained earnings brought forward	16,691,298
		<b>Treasury shares</b>	<b>(2,887,118)</b>
		<b>Total net assets</b>	<b>17,117,699</b>
<b>Total assets</b>	<b>26,043,066</b>	<b>Total liabilities and net assets</b>	<b>26,043,066</b>

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.

**Statement of Income**  
(May 1, 2020 – April 30, 2021)

(In thousands of yen)

Description	Amount	
<b>Net sales</b>		<b>36,122,257</b>
<b>Cost of sales</b>		<b>12,903,363</b>
<b>Gross profit</b>		<b>23,218,894</b>
<b>Selling, general and administrative expenses</b>		<b>16,809,784</b>
<b>Operating profit</b>		<b>6,409,109</b>
<b>Non-operating income</b>		
Interest and dividend income	1,893	
Outsource service income	41,391	
Foreign exchange gains	101,884	
Other	14,353	<b>159,523</b>
<b>Non-operating expenses</b>		
Interest expenses	12,598	
Guarantee commission	2,200	
Sales discounts	5,741	
Other	1,471	<b>22,011</b>
<b>Ordinary profit</b>		<b>6,546,621</b>
<b>Extraordinary income</b>		
Settlement received	2,700	<b>2,700</b>
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	10,031	
Loss on liquidation of subsidiaries	301,121	
Loss on valuation of shares of subsidiaries and associates	904,250	<b>1,215,403</b>
<b>Profit before income taxes</b>		<b>5,333,918</b>
Income taxes-current	1,924,839	
Income taxes-deferred	(65,753)	<b>1,859,085</b>
<b>Profit</b>		<b>3,474,832</b>

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.



## Statement of Changes in Equity

(May 1, 2020 – April 30, 2021)

(In thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at May 1, 2020	1,813,796	1,313,795	118,636	1,432,431	61,792	5,500	13,414,541	13,481,833
Changes of items during the period								
Dividends of surplus	-	-	-	-	-	-	(198,076)	(198,076)
Profit	-	-	-	-	-	-	3,474,832	3,474,832
Purchase of treasury shares	-	-	-	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes of items during the period	-	-	-	-	-	-	3,276,756	3,276,756
Balance at April 30, 2021	1,813,796	1,313,795	118,636	1,432,431	61,792	5,500	16,691,298	16,758,590

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at May 1, 2020	(2,887,009)	13,841,052	13,841,052
Changes of items during the period			
Dividends of surplus	-	(198,076)	(198,076)
Profit	-	3,474,832	3,474,832
Purchase of treasury shares	(109)	(109)	(109)
Net changes of items other than shareholders' equity	-	-	-
Total changes of items during the period	(109)	3,276,646	3,276,646
Balance at April 30, 2021	(2,887,118)	17,117,699	17,117,699

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.

**Independent Auditor's Report**  
(English Translation)

June 17, 2021

To the Board of Directors  
YA-MAN LTD.

KPMG AZSA LLC  
Tokyo Office, Japan

Kazuhiko Kusano  
Designated Engagement Partner  
Certified Public Accountant

Ikuo Hiruma  
Designated Engagement Partner  
Certified Public Accountant

**Opinion**

Pursuant to Article 444, Paragraph (4) of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements of YA-MAN LTD. (the "Company") the fiscal year from May 1, 2020 to April 30, 2021.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the YA-MAN Group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

**Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the

consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

#### Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

**Independent Auditor's Report**  
(English Translation)

June 17, 2021

To the Board of Directors  
YA-MAN LTD.

KPMG AZSA LLC  
Tokyo Office, Japan

Kazuhiko Kusano  
Designated Engagement Partner  
Certified Public Accountant

Ikuo Hiruma  
Designated Engagement Partner  
Certified Public Accountant

**Opinion**

Pursuant to Article 436, Paragraph (2), Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in equity, and the notes to the financial statements and the accompanying supplementary schedules of YA-MAN LTD. (the "Company") for the 47th fiscal year from May 1, 2020 to April 30, 2021.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of April 30, 2021, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

**Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

## Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

## Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

## **Audit Report** (English Translation)

The Audit & Supervisory Board hereby submits its audit report on Directors' performance of duties for the 47th fiscal year from May 1, 2020 to April 30, 2021, as a collective opinion of all Audit & Supervisory Board Members. The report has been prepared by the Audit & Supervisory Board through discussions based on audit reports prepared by the respective Audit & Supervisory Board Members.

1. Methods and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board
  - (1) The Audit & Supervisory Board established the auditing policies and auditing plan; received reports regarding the status of execution of audit and its results from each Audit & Supervisory Board Member; received reports from Directors, other relevant employees and accounting auditors concerning the performance of their duties; and, when necessary, requested them to provide explanations.
  - (2) In accordance with the Audit & Supervisory Board Members' auditing standards specified by the Audit & Supervisory Board and, the auditing policies and auditing plan, each Audit & Supervisory Board Member ensured effective communication with Directors, employees in the internal audit division and other relevant employees; made efforts to collect necessary information and improve the auditing environment; and conducted the audit with the following methods.
    - (a) The Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings; received reports from Directors and other relevant employees regarding the performance of their duties; requested them to provide explanations when necessary; examined important approval documents and associated information; and apart from studying management, studied the operations and financial conditions at the head office as well as other principal offices. As for the subsidiaries, the Audit & Supervisory Board Members ensured effective communication with directors, audit & supervisory board members and other personnel of subsidiaries and to exchange information therewith, and, when necessary, received reports from the subsidiaries regarding their business.
    - (b) The Audit & Supervisory Board Members regularly received reports from Directors and other employees, requested explanations from them whenever necessary, and expressed the Audit & Supervisory Board Members' opinions, for ensuring that the execution of duties by Directors described in the Business Report conforms to the related laws and regulations and the Articles of Incorporation, the details of the resolution of the Board of Directors concerning the establishment of the system stipulated in Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act intended to secure the appropriateness of the operations of the corporate group consisting of the Company and its subsidiaries; and the creation and operation status of a system (internal control system) established in accordance with said resolution.
    - (c) The Audit & Supervisory Board monitored and verified whether the Accounting Auditors maintained their independence and properly conducted their audit, received a report from the Accounting Auditors on the status of their performance of duties, and requested explanations, as necessary. In addition, the Audit & Supervisory Board was notified by the Accounting Auditors that they had established a "system for ensuring that the performance of the duties of Financial Auditors is being carried out correctly" (the matters set forth in the items of Article 131 of the Regulation on Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and requested explanations, as necessary.

Based on the above-described methods, the Audit & Supervisory Board examined the business report and the supplementary schedules thereto, and the non-consolidated financial statements (balance sheet, statement of income, statement of changes in equity, and notes to non-consolidated financial statements) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements), for the fiscal year under review.

## 2. Results of Audit

### (1) Results of Audit of Business Report and Other Relevant Documents

- (a) We acknowledge that the business report and supplementary schedules fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (b) We acknowledge that there is no misconduct or material fact in violation of laws and regulations or the Articles of Incorporation of the Company with regard to the performance of duties by Directors.
- (c) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents in the business report and the performance of duties by Directors concerning the internal control systems. We believe the continued pursuit of best practice adapted to changes in circumstances is important.

As stated in the business report, YA-MAN received an order for action from Japan's Consumer Affairs Agency on March 31, 2020 pursuant to the Act against Unjustifiable Premiums and Misleading Representations. The Audit & Supervisory Board has confirmed that YA-MAN and its subsidiaries are making efforts to ensure compliance with laws and regulations, including this Act.

### (2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditors KPMG AZSA LLC are appropriate.

### (3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditors KPMG AZSA LLC are appropriate

June 21, 2021

Audit & Supervisory Board, YA-MAN LTD.

Full-Time Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member

Eiji Iwasaki (Seal)  
Masatoshi Yamada (Seal)  
Kazumi Kojima (Seal)